

Exhibit A

Minnesota Workforce Center System

Fee for Services Survey

Minnesota Workforce Center System

Workforce Service Area

Fee For Services Survey

W SA #_

Dear WSA Partner:

This survey is designed to get information to provide to the Department of Labor Fee for Service Workgroup. The group's objectives are to gather information about what is being done in each State and use this information to construct a framework of issues to be dealt with and develop a policy or guidelines regarding the charging of fees for service.

This group is also soliciting participation from interested persons from the State or WSA for the workgroup. If you are interested, please contact Bonnie Elsey at 612-296-2801 and let her know to what extent you would be able to help, e.g. research, prepare position papers, attend meetings, etc.

Please fax the completed survey to Bonnie Elsey at 612-282-6927 by Monday, November 25, 1996. Thank you for your input.

Sincerely,

Howard Glad, Director

1) Do you charge a fee for any value-added service(s) such as:

Employer

Jobseeker

☐ Job Analysis

☐ Testing

☐ Specialized recruitment

☐ Training

☐ Consulting

☐ Career Counseling

☐ Testing

☐ Assessment

☐ Books, Periodicals

☐ Interpretive Services

☐ Interpretive Services

☐ Books/Periodicals

☐ Other, please specify

☐ Other, please specify

2) Please specify your methodology for calculating fees for the value added services you have identified.

3) Do you have local allocation plans for the proceeds of fees?

☐ No

☐ Yes If Yes, please describe:

4) Do you have local limitations on the use of fees?

☐ No

☐ Yes If Yes, please describe:

5) Is there a demand for services for which you would consider assessing fees?

☐ No

☐ Yes If Yes, please describe:

6) Do you have information which suggests customers would be willing to pay for certain services or products?

Employers

Jobseekers

☐ No

☐ No

☐ Yes

☐ Yes

If Yes, please specify the service:

7) For which services would you like to assess fees? Please identify

8) Are you aware of any other state or local agencies participating in the Workforce Center who are charging a fee for service? If so, what service? Please specify.

9) Please provide us with any other comments regarding fee for service that your Workforce Service Area would like to recommend to the DOL Workgroup.

Name

Phone

Exhibit B

Survey Report

STATE/LOCAL DEFINITIONS OF CORE SERVICES

Minnesota defined core services in two categories; those services that are universal and those services that are eligibility-based. Universal services can be accessed by all jobseekers and employers and eligibility based services are services that can only be accessed by those employers and jobseekers meeting specific eligibility criteria which is based upon funding guidelines.

The following services are universal:

Jobseeker Services

Minnesota Career Information System
Resource Center
Local, Statewide, and National Labor Market Information
Job Skills Requirements
Service Consultation
Eligibility Determination
Availability and Quality of Education and Training Programs
Job Development
Job Listings
Hiring Requirements
Creative Job Search
Employer Videos/Employer Profiles
Screening and Referral to Jobs (Job Match)
Comprehensive Referral Network

Employer Services

Resource Center and Seminars
Skill-Based Jobseeker Pool (both individual and aggregate)
Americans with Disabilities Act Compliance Information

The following services are Eligibility-Based:

Jobseeker Services

In-Depth Testing and Assessment
Personal Profiling for Labor Market Viability
Income Support
Career Decision-making Skills
Career Counseling
Case Management
Training Assistance
Classroom Training
Supportive Services
Special Job Development
Job Search Skills (Various Components)
Earned Income Tax Credit
Follow-up Services

Employer Services

Account Representative Service
Employer Requested Testing
Business Planning Data
Local, Statewide and National Labor Market Information Analysis
Economic Linkages Advocacy
Rapid Response to Layoffs of Employees
Linkage to Customized Training Advocacy
Employer Subsidy Information
Current Workforce Skills Assessment

STATE/LOCAL FEE STRUCTURES AND HOW CALCULATED

Job Analysis

The methodology for calculating the fee structure for job analysis is based on cost reimbursement by including the actual cost of the following variables:

- ✍ staff training
- ✍ lap top personal computer amortized over three years
- ✍ licensing agreement with vendor
- ✍ half time marketing position
- ✍ marketing materials
- ✍ full-time job analysis position including personal and non personal services Administrative fee @ 9% of staff salaries

The total cost of the variables is divided by 2,080 hours/year to determine an hourly rate. The hourly rate is multiplied by the number of hours to complete job analysis to determine the chargeable fee to employers.

Local Labor Force Trends

The methodology for calculating the fee for local labor market trends is also based on cost reimbursement by computing the actual cost of conducting a survey, performing the analysis, and writing the report.

Interpretative Services

The methodology for calculating the fee for interpretative services is based on actual cost of staff hourly rates of interpreter and related expenses.

Books & Periodicals

The chargeable fee to customers for books and periodicals is the actual cost of the materials.

Specialized Mailings

The chargeable fee to customers is the actual cost of staff time and materials plus postage.

Resume Paper, Envelopes and Copying of Materials

The chargeable fee to customers is the actual cost of the materials.

Employer Seminars

The methodology for charging a fee for employer seminars is based on actual cost reimbursement of the following variables:

- ✍ facilities
- ✍ rent
- ✍ refreshments
- ✍ meals
- ✍ speakers

Training

Vocational Rehabilitation has a financial consumer participation policy which specifies which services are free and which services consumers must participate in payment of based on ability to pay (see attached policy - **Attachment D**). The consumer pays for the school tuition, books, etc. directly to the school when the consumer is determined able to participate in payment.

Assessment

Employers will pay the actual cost of assessment tools identified in a job profile plus administration fees for the purpose of identifying skill gaps of current workers.

Employers and/or job seekers will pay for the actual cost of assessment tools plus administration fees for the purpose of job selection.

<h2 style="text-align: center;">STATE/LOCAL ALLOCATION PLANS FOR PROCEEDS OF FEES</h2>

The state office allocation plan is based on special function codes allocated to staff for time charging when performing fee for service functions. Likewise, income contracts are assigned a corresponding function code to offset the expense code from staff time charging. Local entities perform similar tracking systems to assure income generating activities are assigned against staff, material, and equipment cost.

STATE/LOCAL LIMITATION ON USE OF FEES

The state limitation on use of fees is non-restrictive. The Workforce Exchange Branch has established a policy for Fees for Service (see attached policy). In general the policy states that fees will be charged for non funded services. Customer demand will be the primary basis for development of non funded services. Non funded services will produce a revenue stream sufficient to become self supporting. Fees will be established in order to recapture the cost of research and development, staff training, equipment, and product or service maintenance and delivery cost.

DEMAND FOR SERVICES FOR WHICH A FEE IS BEING CONSIDERED

Customer demand reported by state and local entities for non funded services is as follows:

- ✍ Resume preparation
- ✍ Rehabilitation planning to achieve self support (PASS) for Social Security recipients.
- ✍ Testing for software proficiency
- ✍ Assessments for the purpose of employer selection
- ✍ Job Analysis
- ✍ Out placement services; i.e., career planning and job seeking skills training
- ✍ Employer Interviewing Skills; i.e., Behavioral Interviews

INFORMATION SUGGESTING EMPLOYERS WILL BE WILLING TO PAY FOR SERVICES

More data is ready available suggesting that employers are willing to pay for services. Employers have responded to questionnaires stating their willingness to pay for value added services such as reference checks and applicant assessments. The Job Service Employer Committees (JSEC) have expressed their willingness to pay for seminars, job analysis, assessments, proficiency testing, reference checking, etc. Employers are already paying the Minnesota Workforce Center system for job analysis, assessment, and specialized recruitment. Employers are accustomed to paying for a number of pre-hiring services such as recruitment, assessment, screening, and verification of work history. Employers are willing to pay for value added services which they identify as important to their hiring process. However, the services must be expedient, high quality, and competitive with the private sector.

Little data is available suggesting job seekers are willing to pay for services. The strongest evidence of such is the number of job seekers expressing their willingness to pay for resume preparation services. However, even this evidence is anecdotal. Currently job seekers do pay the Minnesota Workforce Center system for copying of materials, resume paper and envelopes, and books and periodicals.

STATE/LOCAL ENTITIES CONSIDERING ASSESSING FEES FOR

State and local respondents to a fee for service survey conducted by the Minnesota Workforce Center system office identified the following services in which fees are being considered:

- ✍ Employer Pre-hiring Assessments
- ✍ Proficiency Testing
- ✍ Resume Preparation
- ✍ Assessments for Career Counseling & Guidance
- ✍ I-9 Certifications
- ✍ Employment Verifications
- ✍ Employer Seminars
- ✍ Mass Recruitment
- ✍ Group and Individual Retirement Consultation
- ✍ Employer Interviewing Consulting/Behavioral Interviewing
- ✍ Self Support Plans (PASS) for Social Security Administration
- ✍ Job Seeking Skills and Career counseling for non-eligible job seekers

Exhibit C

Job Service/Reemployment Insurance

Fee for Service Policy

SERVICE POLICY:
FEES FOR SERVICE; NEW SERVICE AND PRODUCT DEVELOPMENT

Table of Contents

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STATUTORY CITATION

.000

Minnesota Statute at 268.0121 provides that the Department of Economic Security has broad responsibility "...to increase the economic independence of Minnesotans with special effort toward those who are currently unemployed or who face special disadvantages in the labor market The (D)epartment shall develop employment policies and link training and employment-related services with temporary income replacement and income maintenance programs, veterans' programs, workers' compensation, vocational and post-secondary education, federal income insurance programs, and economic development programs."

DEFINITIONS

.001

Funded Services. Services we provide based on funds allocated by statute to this Department.

Non Funded Services. Any other services we provide.

Revenue Stream. Customer payments to this department for non funded services.

INTRODUCTION

.010

We exist as a public service. We will remain not for profit.

Our funded services are basic labor exchange, tax (including auditing of employers), RI benefits, appeals, and basic LMI These funded services and the functions which directly support them shall be provided at no additional cost to the customer.

CHARGING FOR NON FUNDED SERVICES

.020

Incentives will be established to encourage the development of non funded services.

Each office will document which services and products under their jurisdiction are funded and which are non funded. Non funded services or products will be consistent with the Department's statutorily defined purposes.

Customer demand will be the primary basis for development of non funded services or products. Development may be initiated in areas where there is a perceived need which is closely tied to the Department's mission and its statutorily defined purposes.

Non funded services and products will produce a revenue stream sufficient to be self supporting. Expenses related to development and delivery of the non funded service or product will be timely recaptured from the customer according to standard business practices. The factors to consider in setting a fee for a service or product include:

- ✍ Recovery of production expenses (distribution, overhead, and maintenance, including training).
- ✍ Research and development expenses.
- ✍ Degree of risk.

COORDINATION AND ACCOUNTING SUPPORT

.030

Non funded services or products and related obligations, liabilities and incomes are the property of the Department. Centralized coordination and accounting support of contracts is necessary since we may engage in several simultaneous contracts with a given customer, or with associated or competing customers.

Coordination responsibilities include:

- ✍ ensuring consistency in general contract terms and conditions including rates charged across all contracts for the services of agency employees;
- ✍ standard disclaimers and limited-liability clauses;
- ✍ approval and monitoring; and
- ✍ auditing quality and compliance of contract outcomes.

Accounting support responsibilities include:

- ✍ a standard approach for apportioning revenue streams (for example: repayment to grant; local workforce center or work unit share; branch overhead share; Department overhead share; partner share).

RESPONSIVENESS TO CUSTOMERS

.040

We will focus on identifying and responding to customers' needs, and on developing and providing non funded services which address the associated public policy issues.

We will ensure that we do not use our public position to bestow unfair competitive advantage. Any customer can approach us, pay us for the same expenses, and receive the same service or product as any other customer.

We will remain faithful stewards of our funded services. This means that *we will be complete and scrupulous in identifying and recapturing the expenses* of non funded services. Monies from funded services will not be used to subsidize the non funded services we develop.

Any non funded service we develop will be closely associated with and will augment our funded services.

Customer response dictates how long a new service is offered. A non funded service may fail to pay for itself; if a net deficit exists upon discontinuance, that net deficit will be borne by the branch(es).

Employee conflicts of interest (for example, an employee separately contracting with a customer to provide a service or product which is already provided or in development by the Department) will be addressed consistent with the provisions of Minnesota Statute 43A.38 subd. 5(d).

DEVELOPMENT PROPOSALS: AUTHORIZATION; FUNDING.

.050

Development proposals are received and authorized by the assistant commissioner or a designee. (see .030 above at "Coordination and Accounting Support"). A business plan is required. Business plan elements include:

- ✍ description of the service or product including its fit with other services
- ✍ benefits to customers
- ✍ statement describing how the overall public good is advanced;
- ✍ goals; objectives; outcome evaluation
- ✍ pricing (itemized forecast of expenses)
- ✍ budget (startup costs; time frame to self sufficiency)
- ✍ cost recovery (detailed revenue stream forecast)

New service and product development should always include efforts to identify and secure funding from non-traditional sources such as foundation grants.

When startup expenses are attributed to the JS or UI grant, that grant must be repaid from the revenue stream of the new service or product.

Exhibit D

Minnesota Department of Rehabilitation Services /

Vocational Rehabilitation

Consumer Financial Participation Policy

CONSUMER FINANCIAL PARTICIPATION (CFP) (cont.)

CONSUMER FINANCIAL PARTICIPATION POLICY

A consumer whose gross family income is higher than the Minnesota median income as adjusted for family size, must pay for VR services an amount equal to the percentage by which his/her gross family income exceeds the adjusted median income.

A consumer whose gross family income is equal to or less than the Minnesota median income as adjusted for family size, Is not required to pay for any VR services. Consumers : who can show they are receiving Aid to Families with Dependent Children (AFDC), Supplemental Security Income (SSI), General Assistance (GA), or Medical Assistance (MA) will not be asked to pay for services.

DRS will require CFP for all services except:

- ✍ Assessment for determining eligibility and VR needs, except those services provided under an extended evaluation that are not diagnostic in nature;
- ✍ Vocational evaluation;
- ✍ Work adjustment training;
- ✍ Rehabilitation counseling and guidance;
- ✍ Job placement services;
- ✍ Referral services;
- ✍ Job coaching;
- ✍ On-the-job training;
- ✍ Independent living skills training that supports an employment goal;
- ✍ Auxiliary aids and services for effective communication
- ✍ Single-time non-recurring purchases of goods and services costing \$300 or less; and
- ✍ Post-employment services consisting of the services listed above.

If a consumer's IWRP includes or is expected to include VR services requiring financial participation, the consumer must provide DRS with written verification of his/her gross family income and sources of income.

Consumers may request a variance from CFP for unusual costs resulting from disability or illness in areas such as mobility, communication, self-care, medical care, shelter, food, and clothing.